

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 315th  
MEETING OF THE BOARD OF COMMISSIONERS April 29, 2008**

**A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on March 31, 2008 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.**

**Board members present were Chairman, David A. Duffy, Commissioners, Jeff Hirsh, Patrick Butler, George Nee, Bernie Buonanno, Paul MacDonald, Dale Venturini and Marianne Corr.**

**Mr. Fowler and Mr. Gavitt were unable to attend.**

**Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Eleanor SanAntonio, Kym Chevia and Cheryl Schadone, SMG/DDC; Neil Schriever and Martha Sheridan, PWCVB; Larry Bacher, Gilbane; Eric Ahlborg, ABM; Richard Beretta, APS; Chantale Sarrasin, House Finance and Eileen Smith, Recording Secretary. CALL TO ORDER**

**Recognizing a quorum, Chairman Duffy called the meeting to order at 9:08 a.m.**

## **APPROVAL OF MINUTES**

**Chairman Duffy entertained a motion to accept the minutes of the 314th meeting, March, 2008. Upon a motion duly made by Mr. Buonanno and seconded by Ms. Corr it was unanimously VOTED: to approve the minutes as distributed**

**Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.**

**Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of March the Convention Center net income/loss was (\$711) to budget but \$28,362 better than the prior year. Year to date net income/loss was positive \$349,100 to budget and positive \$435,768 to the prior year. Mr. McCarvill noted that strong event and parking revenue is driving the year over year improvement, offset by Food & Beverage revenues that are off from last year's record pace. Mr. McCarvill stated that for March the Dunkin' Donuts Center net income/loss was positive \$143,622 to budget and positive \$225,157 to the prior year. Year to date net income/loss was (\$236,491) to budget but \$555,875 better than the prior year. Mr. McCarvill noted that the key drivers for year over year improvement other income, advertising and a decrease in indirect expenses. The Convention Center Authority was (\$35,305) to budget and (\$11,199) to the prior year. Mr. McCarvill reported that year to date net income/loss was \$24,953 to budget but (\$1,170,079) because of the annual start up funds received in Fiscal Year 2007 that**

were not budgeted and not received in Fiscal Year 2008. Mr. McCarvill reported that the consolidated statement indicates that net income/loss for the month of March was \$107,604 to budget and \$242,321 to the prior year. Year to date net income/loss was \$137,548 to budget and (\$176,083) to the prior year for an actual year over year operating improvement of \$1,323,917. Mr. McCarvill brought to the Board's attention a new report for the Dunkin' Donuts Center that is a breakdown of event revenue for the month. He stated that this report highlights the individual events and how the revenue is earned and the expenses related to the event. Mr. Duffy said that the new report is very helpful to the Board's understanding of the Dunkin' Donuts Center's operation. Mr. McCarvill noted the inclusion in the Board's package of an amendment to the Authority's Retirement Plan. Mr. McCarvill explained that this amendment was necessary to comply with regulations recently issued that revised the rules for determining the annual limitation on contributions to retirement plans after termination of employment. Mr. MacDonald asked about contributions from severance pay. Mr. McCarvill answered that contributions from compensation could be made for 2 ½ months after termination of employment. Upon a motion duly made by Mr. Buonanno and seconded by Mr. Nee it was unanimously

**VOTED:** To adopt the resolution with respect an amendment to the Rhode Island Convention Center Authority Retirement Plan to comply with the final regulations under Section 415 of the Internal Revenue Code.

## **MARKETING COMMITTEE**

**Ms. Venturini asked Ms. Sheridan and Mr. Schriever to address the Board. Ms. Sheridan reported that at the CVB's board meeting they elected a new slate of officers. She stated that the Chairman, Rudi Heater had resigned and the board had elected Angelo DePeri to be the new Chairman, John Palumbo, Vice President, Kevin Buchanan, Secretary and Joe Judge as Treasurer. Ms. Sheridan reported that that 32 Green Hospitality awards were distributed at a luncheon held at the Convention Center on April 22nd. Ms. Sheridan sent kudos to Ms. Venturini and Michael Sullivan of DEM for getting business involved in the "Green" movement. Ms. Sheridan stated that it is right for the environment and right for business. Mr. MacDonald asked what was done to earn the award. Ms. Sheridan explained some of the steps necessary to earning the award. Each recipient completed a program aimed at reducing energy consumption and improving recycling efforts. Ms. Venturini reported that the Convention Center had received an award and the Dunkin' Donuts Center is well on its way to completing the tasks. Mr. MacDonald congratulated the Convention Center staff and stated that the next step should be solar power. Mr. Schriever reported on new bookings for the City. Mr. Duffy asked how bookings are tracking compared to last year. Mr. Schriever responded that this year is about the same as last. Mr. Schriever reported that the Botanical Society of America and the Master Brewers Association of the Americas had secured dates**

for 2010. Mr. Duffy said that 2010 looks like it is shaping up to be a great year. He asked if hotels are holding rooms for the 2010 NCAA basketball tournament. Mr. Schriever noted that the hotels are planning for the tournament but it is too soon to hold rooms. Mr. Schriever presented the tentative booking highlights and noted that the CVB's booking percentage from tentative is about 30%. Mr. Duffy asked Mr. Schriever to bring the Board up to date on the tentative world at the next monthly meeting. Mr. Muldoon reported that Stop & Shop had scheduled a small group meeting for June. He noted that the Convention Center is still benefiting from short term bookings. Mr. Muldoon also reported that the staff is still working with APC to secure their meeting in June. Ms. Venturini reported that she had taken part in a tour of the building and was very proud of the job that the facility is doing. Mr. Muldoon said that it is a team effort. Mr. Duffy asked how single events such as weddings were doing. Mr. Muldoon said that the numbers are flat year to year. He commented that weddings at the Convention Center are also booked in the short term. Mr. Duffy asked if Twin River was giving us much competition. Mr. Muldoon answered that they are competing some. Mr. Duffy reminded Mr. Muldoon to stay aggressive. Mr. MacDonald asked about the early bird parking rate. Mr. Muldoon responded that at the moment the rate is \$8.00 but will go up to \$9.00 on June 1st. Ms. Schadone reported that the elephants are here. She said that the week should be strong with the Circus and she invited the Commissioners to attend the elephant brunch with their children on Friday. Ms. Schadone noted that upcoming concerts include Van

**Halen and Hot Night. Conversation ensued regarding the Hot Night concert and security. She reported that the Providence Bruins had made the playoffs. Ms. Schadone reported that work continues on the grand re-opening. Mr. Duffy encouraged the re-opening team to make it a fun family event. Ms. Venturini informed the Board that the Marketing Committee had voted to recommend that an RFP be issued for web site development. She asked that the Board approve the issuance of the RFP. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Nee it was unanimously**

**VOTED: to approve the issuance of an RFP for web site development.**

## **DUNKIN' DONUTS CENTER**

**Ms. Bennett reported that the new box office is complete and the lobby looks great. Mr. Duffy said that the box office is great but there are still some temporary walls. Mr. Bacher reported that work on the team store will begin after the building is shut down this summer. Mr. Bacher said that the new seats have been ordered and that the options for painting the exterior are still being evaluated. He said that we are looking to get a fifteen year warranty on the painting. Mr. Bacher noted that costs are up slightly from last month but still under budget. Mr. McCarvill reported that Dunkin' Donuts is still considering a shop in the building. He noted that as part of the naming rights Dunkin' Donuts has the option of putting a shop here but things have**

changed in the surrounding area which may affect their decision. Mr. McCarvill also noted that Sportservice contract is involved and that we should settle the issue before we negotiate naming rights. Mr. Butler asked how long we need to keep the space open. Mr. McCarvill stated that Ms. Bennett had suggested that we issue an RFP for the space. Mr. Hirsh suggested that we designate the space as a function room. Mr. MacDonald thanked Mr. Bacher and said that the Gilbane team has done a good job. Ms. Bennett reported that the Arts Council had rescinded the agreement with the artist for our Public Art. She said that the Legislature is considering a cap of \$100,000 for art. Discussions ensued regarding the War Memorial. Ms. Corr cautioned that the area surrounding the memorial should not be skateboard friendly. Mr. MacDonald said that the memorial should have great strength and integrity to withstand attempts of vandalism. Ms. Bennett said that she would bring Mr. MacDonald's and Ms. Corr's concerns to the artist. Mr. Ahlborg noted that a copy of his report was included in the Board package. Mr. Ahlborg stated that Gilbane has everything well in hand. Mr. Duffy asked when Ahlborg's tasks would be complete. Mr. Ahlborg said that whenever the Board felt that it no longer needed his services. Mr. Lepore noted that there was no cost to the facility for moving the Van Halen concert. He also noted that the Not so Raven concert had been canceled but the Hot Nights concert had taken its place. Mr. Lepore stated that the Dunkin' Donuts Center should receive its "Green" certification by September. He said that we need to educate the staff to separate trash for recycling. Mr. Lepore noted that the new restrooms are energy

efficient and conserve water but not the old ones. He stated that remodeling the old restrooms will be made part of the 5 year capital plan. Mr. Lepore reported that the seats and risers will be removed and the aluminum will be recycled. Mr. MacDonald asked if the price of gas was having any impact on the facility. Mr. Lepore a stated that some promoters are cutting back on concerts because of the costs to travel. Mr. Butler inquired if Sportservice had improved. Mr. Lepore said that service and food quality had improved. Mr. Duffy stated that they are not off the hook yet. Mr. Butler said how about the food and service for the suites. Mr. Lepore said that there will be a new suites menu for next season.

Mr. Duffy reported that the ribbon cutting for the re-opening would be on September 5th and encouraged all Commissioners to try to be here. He stated that the week of events would begin with an open house for the public to see what has been accomplished. American Idol has been booked for September 7th followed by concerts on September 12th and 13th.

Mr. Duffy began discussions of the VMA. Mr. McCarvill noted that he had been asked to appear at a hearing of the House Finance Committee. He reported that management of the VMA was not prepared to answer questions at the first hearing. Mr. McCarvill stated that there was a follow-up meeting that was not a whole lot better. Mr. McCarvill reported that the Authority had not been successful in obtaining all of the information that we had asked for in



October. Mr. McCarvill said that he had spoken with Representative Cosantino who suggested that the idea of taking over the theater be discussed with the Authority Board. Mr. McCarvill noted that the theater does not generate enough revenue to cover expenses. Mr. Duffy asked if the Authority Board has an appetite to take on this project. Mr. McCarvill stated that an RFP was issued and a combined response was received from PPAC, SMG and Johnson & Wales. He explained what was proposed by the group and said that they would create a pro-forma of the facility. Mr. McCarvill stated that the arts community is enthusiastic about the plan. Mr. Duffy noted that if the facility is not bailed out it will most likely close. He said that we have been asked to consider taking over and it would be in the public interest to save the theater. Ms. Corr asked if the facility would be self sustaining. Mr. Duffy replied that we would require some kind of bond issue or funding mechanism. Mr. McCarvill stated that the revenue would most likely not cover debt service. Mr. Hirsh asked if the Authority would take ownership of the property. Mr. McCarvill said that issue has not been decided. Mr. Beretta stated that the Authority is being called to step to the plate. He said that if new events could be housed in the building that would spread the financial burden.

## **CONVENTION CENTER COMMITTEE**

Ms. Corr asked Mr. Muldoon to address the Board. Mr. Muldoon reported NerComp 2008 had held their annual conference at the

Convention Center in March. Mr. Muldoon said that the conference was a new piece of business for the Convention Center. New England Rail Forum and Expo was another new event at the building. Mr. Muldoon said that the expo provides railroads, suppliers, state and federal officials the opportunity to share ideas and information. Discussion ensued regarding the new parking rates. Mr. Muldoon stated that we are still the best price in town. Mr. Muldoon noted that the reduced rate exhibitor program continues. Mr. Muldoon said that parking rates would be included on the web site and that a decision had been made to keep the old rate for first 2 ½ hours. Ms. Tuton updated the Board on consolidated purchasing. She said that the complex had realized between \$150,000 and \$200,000 in savings by combining services and supplies. Ms. Tuton noted that significant savings has been achieved with Cox Communications. Ms. Tuton also noted that by hiring a full time IT person the complex will benefit from having a staff person available when needed and at a reduced cost. Mr. Duffy thanked Ms. Tuton for her hard work. Mr. MacDonald said that thanks to Deb's initiatives we are on the right track.

Mr. McCarvill noted that our appointment to the CVB Board had resigned. He said that Mr. Heater was no longer in the hotel business and therefore unable to complete his term on the CVB Board. Mr. McCarvill said that Thomas DiMasi had been recommended to fill the vacant position. Ms. Venturini noted that Mr. DiMasi would be a good choice and that she knows him personally Upon a motion duly made Mr. Butler and seconded by Mr. Nee it was unanimously

**VOTED: to appoint Thomas DiMasi to the CVB Board as the Authority's representative.**

**Hearing no other business Chairman Duffy sought a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Ms. Corr it was unanimously**

**VOTED: to adjourn at 10:35 a.m.**